

# Terms of reference



Empowered lives.  
Resilient nations.

## GENERAL INFORMATION

**Title:** Technical Advisor on Climate Public Financial Management (Indonesian Nationality)  
**Project Name:** Environment Unit/ Sustainable Development Financing (SDF) Phase II  
**Reports to:** UNDP National Project Manager, Deputy Director for Climate Fiscal Policy  
**Duty Station:** Ministry of Finance, Fiscal Policy Agency Office - Jakarta  
**Expected Places of Travel (if applicable):** Jambi, Central Java (tbd)  
**Duration of Assignment:** 80 working days within 6 months

## REQUIRED DOCUMENT FROM HIRING UNIT

<input checked="" type="checkbox"/>	TERMS OF REFERENCE
5	<b>CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select:</b> (1) Junior Consultant (2) Support Consultant (3) Support Specialist (4) Senior Specialist (5) Expert/ Advisor <b>CATEGORY OF INTERNATIONAL CONSULTANT, please select :</b> (6) Junior Specialist (7) Specialist (8) Senior Specialist
<input checked="" type="checkbox"/>	APPROVED e-requisition

## REQUIRED DOCUMENTATION FROM CONSULTANT

<input checked="" type="checkbox"/>	P11
<input checked="" type="checkbox"/>	Copy of education certificate
<input checked="" type="checkbox"/>	Completed financial proposal
<input checked="" type="checkbox"/>	Completed technical proposal

### Need for presence of IC consultant in office:

- ☐ partial (explain)
- ☒ intermittent consultant needs to build strong relations with policy makers in project office and other government counterpart whose their availability are unpredictable
- ☐ full time/office based (needs justification from the Requesting Unit)

### Provision of Support Services:

Office space: ☒ Yes, at Ministry of Finance office ☐ No

Equipment (laptop etc): ☐ Yes ☒ No

Secretarial Services: ☐ Yes ☒ No

If yes has been checked, indicate here who will be responsible for providing the support services: Fahrul Razi

## I. BACKGROUND

Indonesia, a country of more than 17,000 islands is highly vulnerable to Climate Change. To tackle it, the Government of Indonesia (GoI) issued the National Action Plan on Climate Change Mitigation (RAN-GRK) in 2011, which commits to reducing GHG by 26% on its own efforts, and up to 41% with international support, against the business as usual model by 2020. Indonesia has also developed the National Action Plan for Climate Change Adaptation (RAN-API) in 2014 to ensure that low carbon development goes hand in hand with the country's resilience in anticipating adverse impacts of climate change.

Indonesia's Nationally Determined Contribution (NDC), released on 24 September 2015, includes an unconditional 2030 GHG emissions reduction target of 29% below business-as-usual (BAU) and a conditional 41% reduction below BAU by 2030 (with sufficient international support). The shift to a low carbon and climate resilient development path is also an integral part of Nawacita (Indonesia's nine national's strategic development goals) and is well-integrated in development policies, strategies and programs of the National Medium-Term Development Plan (RPJMN) 2015-2019.

To reach the country's ambitious goals, a large increase of sustainable funding and more effective use of current resources is required. Domestically, the estimated costs of Indonesian climate change mitigation and adaptation actions for 2015-2020 is USD 81 billion (Third National Communication, 2017). There are financial gaps between funding needs and financial resources from the Government budget. Thus, the government needs to take progressive steps to scale up climate finance

To finance climate change actions, the government must ensure that adequate funding is available to finance climate change programs, as well as track and monitor the results of the programs implemented. The Ministry of Finance plays a crucial role in ensuring that climate change requirements are reflected in budget priorities, pricing policies, and financial market rules.

Since 2017, UNDP has collaborated with the Ministry of Finance to implement the second phase of Sustainable Development Financing (SDF) project. The programme has provided extensive technical assistance support to the Ministry of Finance and the National Development Planning Agency (Bappenas) in integrating both climate mitigation and adaptation thematics within the national public planning and budgeting system (KRISNA). Capacity building for climate budget tagging (CBT) on both mitigation and adaptation is ongoing at the national level and sector ministries are improving both the accuracy and consistency of climate change tracking and reporting. Partnering with The Ministry of Women Empowerment and Child Protection, a policy research to analyze gender impact of existing tagged climate change programme/activities is underway.

One major achievement in 2018 was the UNDP support to the development of innovative financing instrument for climate actions through the issuance of the world's first sovereign green sukuk. In March 2018, the Government of Indonesia issued 1.25bn USD Green Sukuk which intended exclusively to finance or re-finance projects. This issuance is expected to promote the transition to low-emission economy and climate resilient growth, including climate mitigation, adaptation, and biodiversity.

In 2019, the programme will continue to work on strengthening tracking systems and support coordination to integrate CBT with other climate monitoring and reporting system to evaluate the effectiveness and efficiency of climate change programme/activities. There is also a need to assess the overall national climate change financial landscape, develop a long-term national climate finance strategy and vision to achieve NDC and SDGs goal, and define the best strategic entry points and approach through the development of climate change financing framework.

Following the roll out of the localizing SDGs agenda in Indonesia, further support to bring the climate budget tagging to sub-national/regional level is recognized. This work will begin with mapping of the sub-national tagging information and development of a standardized methodology which can be further piloted to more provinces/districts in Indonesia.

On the green finance component, 2019 will also see continued work that support the Ministry of Finance in the Green Sukuk initiative through finalization of first allocation and impact report, project selection process, coordination with relevant ministries, development of impact measurement manual, and support for campaign activities. The programme will explore more innovative financing instruments and initiate

communication with subnational governments and private sectors on subnational/private green bond/green sukuk

To implement the project effectively and efficiently, it is necessary to recruit a qualified Climate Public Financial Management (PFM) Expert. The national consultant will provide support to the country office on implementation of the SDF and provide technical and quality assurance oversight for the above activities. The Climate PFM Expert will be supervised and report to the Deputy Director for Climate Fiscal Policy, Fiscal Policy Agency of the Ministry of Finance and the UNDP SDF Phase 2 National Project Manager.

## II. SCOPE OF WORK, ACTIVITIES, AND DELIVERABLES

### Scope of Work

The consultant will act as a technical advisor working with the SDF Project Management Team and UNDP on climate public financial management issue. Scope of work of the assignment are to:

- Prepare technical notes and briefings as necessary for high level policy dialogues with government stakeholders and donors as necessary.
- Provision of high quality policy advice services to the Government focusing on fiscal instruments of climate change and Performance Based Budgeting
- Develop policy briefs in priority areas which demonstrate the links between climate change and major national and sub-national budgeting and fiscal policy concerns.
- Develop lines of enquiry and assessment guidelines for the process for both the performance based budgeting and fiscal instrument reviews ensuring alignment with the overall national budget formulation process and the relevant climate change policies (RAN GRK, RAN API, NDC, etc)
- Strengthen the climate budget tagging and performance based budgeting system and to synergize with other national monitoring and registry system (PEP, SRN).
- Provision of advisory services for development of innovative financing instruments for climate actions at national and sub-national level.
- Work with government officials and stakeholders to develop guidance for implementation of both performance-based budgeting system and fiscal instruments
- Facilitate the establishment of mechanisms for coordination, dialogue, and learning among actors (line ministries, parliamentarians, and wider stakeholders) in each key sector of climate change
- Facilitate FGD/workshop for key government officials and parliamentarians and the relevant committees for them to understand better about climate finance and the importance to allocate funding for climate relevant activities
- Provide close assistance to government officials to implement climate change analysis as part of the formulation of performance indicators and priority budget documents.
- Support the transfer of knowledge and expertise across countries of the region through supporting practitioners to provide South-South technical assistance in response to country demand.

### Expected Outputs and deliverables

Deliverables/ Outputs	Completion deadline
1.1 Draft policy brief of climate change related issues as input for principal fiscal policy document (KEM-PPKF) FY 2020 1.2 Report on supporting the Ministry of Finance on Assurance of Green Sukuk Issuance 1.3 Report on facilitation of socialization and reconciliation of Climate Budget Tagging FY 2020 1.4 Draft of academic paper for Ministry of Finance Regulation related to guidance of budget preparation and review FY 2020 1.5 Report on supporting the finalization of Public Climate Finance Report	April 2019 (20 days)
2.1 Concept note of project financing for green bond/green sukuk 2.2 Report on coordination meeting(s) for project financing with relevant ministries 2.3 Report on supporting the development of climate mitigation and adaptation indicators for impact manual 2.4 Final draft of policy brief of climate change related issues as input for principal fiscal policy document (KEM-PPKF) FY 2020	May 2019 (15 days)

2.5 Report on supporting the process to synergize climate budget tagging with other national monitoring and registry system (SMART, PEP, SRN)	
3.1. Report on evaluation of utilization of National Registry System for supporting of Green Sukuk Impact Reporting 3.2. Updated guideline of climate budget tagging based on input from stakeholders 3.3. Report on facilitation regarding the exchange of data within the SMART system in internal MoF 3.4. Policy brief on pre-tagging process on climate budget tagging FY 2020 3.5. Report on supporting the knowledge sharing session on climate budget tagging and green finance to financial institutions	July 2019 (15 days)
4.1. Report on selection of pilot provinces for sub-national climate budget tagging 4.2. Report on assisting MoF in implementation of climate budget tagging FY 2020, including preparation of dataset, facilitation of meeting(s) with relevant ministries, etc 4.3. In house training to MoF staffs on climate budget tagging, performance-based budgeting, and green financing 4.4. Draft policy brief on climate change finance as an input for MoF annual budget statement (nota keuangan) 4.5. Concept note to involve parliamentarians and the relevant committees for them to understand better about climate finance and the importance to allocate funding for climate relevant activities	August 2019 (15 days)
5.1. Report on facilitation of discussion(s) with local government for sub-national climate budget tagging 5.2. Report on supporting the development of Climate Change Fiscal Framework 5.3. Concept note on development of potential green financing instruments for public, private, financial institutions, etc 5.4. Report on facilitation to improve process for green sukuk project selection, monitoring, and registry 5.5. Draft analysis on allocation and spending review of CBT FY 2018	September 2019 (15 days)

III. WORKING ARRANGEMENTS
<p><b>Institutional Arrangement</b></p> <ul style="list-style-type: none"> <li>The consultant will have close supervision and coordination with the Center for Climate Finance and Multilateral Policy (PKPPIM), Fiscal Policy Agency (BKF) – Ministry of Finance, the UNDP Bangkok Regional Hub team and the SDF Project Management team;</li> <li>The consultant's draft reports will be reviewed by BKF and UNDP;</li> <li>The consultant will report to the Deputy Director for Climate Fiscal Policy, PKPPIM, BKF - Ministry of Finance and the UNDP SDF National Project Manager.</li> <li>The payment will be made to the consultant at each payment schedule, upon technical clearance and approval of the satisfactory submission of results from Programme Manager, Environment Unit of UNDP. Estimated lead time for UNDP or Project Implementing Partners to review outputs, give comments, certify approval/acceptance of outputs is 2 weeks.</li> </ul> <p><b>Duration of the Work</b></p> <p>The consultant is expected to work 80 days within 6 months. Final report expects full completion not later than 30 September 2019.</p>

**Duty Station**

- The consultant is expected to work intermittent in Ministry of Finance Office.
- The consultant will receive a lump sum professional fees

**Travel Plan**

Travel to maximum 2 sites is planned for this assignment.

#### IV. REQUIREMENTS FOR EXPERIENCE AND QUALIFICATIONS

Academic Qualifications:

Master's degree in Economics, Finance, Engineering, Environment, Social Science or other related field

Years of experience:

- Minimum 8 years experiences in Public Administration, Business Administration, Organisational Development, Economics, Public Finance Management or related fields
- Substantive experience in national and sub-national budget and planning processes, green finance, national and sub-national climate change policies, Fiscal Decentralisation and intra-governmental transfer mechanisms and processes, or related field
- Knowledge in results based/ performance based budgeting frameworks
- Valid experience working with national and sub-national governments
- Excellent speaking and written skills in English (provided sample of report)

III. Competencies and special skills requirement:

- Analytical skills, communications abilities, teamwork
- Strong motivation & ability to work & deliver under short deadlines.
- Focuses on impact & result for the client & responds positively to critical feedback.
- Able to work independently with little or no supervision.

#### V. EVALUATION METHOD AND CRITERIA

Individual consultants will be evaluated based on the following methodology:

Cumulative analysis

When using this weighted scoring method, the award of the contract should be made to the individual consultant whose offer has been evaluated and determined as:

- responsive/compliant/acceptable, and
- Having received the highest score out of a pre-determined set of weighted technical and financial criteria specific to the solicitation.

\* Technical Criteria weight; 70%

\* Financial Criteria weight; 30%

Only candidates obtaining a minimum of 70 point would be considered for the Financial Evaluation

Criteria	Weight	Maximum Point
<u>Technical</u>		100
Criteria A: qualification requirements as per TOR:		
1. Master's degree in Economics, Engineering, Finance, Environment, Social Science or other related field	15	
2. Minimum 8 years experiences in Public Administration, Business Administration, Organisational Development, Economics, Public Finance Management or related fields	15	
3. Substantive experience in national and sub-national budget and planning processes, green finance, national	10	

<p>and sub-national climate change policies, Fiscal Decentralisation and intra-governmental transfer mechanisms and processes, or related field</p> <p>4. Knowledge in results based/ performance based budgeting frameworks</p> <p>5. Valid experience in working with national and sub-national governments</p> <p>6. Excellent written skills in English (provided sample of report)</p>	<p>10</p> <p>10</p> <p>10</p>	
<p>Criteria B: Brief Description of Approach to Assignment</p> <p>The technical proposal shall elaborate:</p> <p>1. Understand the task and applies a methodology appropriate for the task as well as strategy in coherent manner</p> <p>2. Important aspects of the task addressed clearly and in sufficient detail</p> <p>3. Logical, realistic planning for efficient project implementation</p>	<p>10</p> <p>10</p> <p>10</p>	